AUG-02-2005 12:43 From: JOHN H THOMAS PC

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s): Michael W. Stephens

Application No.: 10/766,219

Group Art Unit: 1714

Filed: January 28, 2004

Examiner: Cephia D. Toomer

Title: COMBUSTIBLE PRODUCT AND

PACKAGE

Attorney Docket No.: STEPHENS 1

Commissioner for Patents P.O. Box 1450 Alexandria, VA 22313-1450

DECLARATION OF MICHAEL STEPHENS

- I, Michael W. Stephens, declare as follows:
- 1. I am President and CEO of Stephens & Co., the manufacturer and seller of CharCones combustible products that are made in accordance with the presently-claimed invention. I am also the inventor of the present invention.
- 2. At present, Stephens & Co. is a very small company whose sole product is the CharCones product. This summer, Stephens & Co. has only pursued a pilot sales program. The test market so far has consisted of selling the CharCones product in thirteen stores of a Central Virginia grocery chain and in one store of a six store hardware chain. At present, there is only four weeks of sales history.

- 3. A senior executive at the Central Virginia grocery chain that is test marketing the product is a 30 year grocery veteran. He has been quoted to saying that "This particular product, we are really excited about because we think it brings new innovation to the category..."
- 4. With respect to grocery store sales, the CharCones product has been selling better than 2 to 1 compared to the combined sales of similar-sized products (four pounds and under) of a well-known national brand of match-lightable product. The sales of the CharCones product are averaging over 60% market share within this "convenience-size" group. The CharCones product has even sold well as compared with all charcoal sales.
- 5. With respect to the hardware store sales, the single-store sales of the CharCones product represented approximately 25% of all charcoal sales for that entire hardware store chain group compared to last year's sales for the same time period.
- 6. The foregoing success in sales has been obtained without discounting the product. In fact, the CharCones product is sold at a premium price, as much as, 38% per pound more than the comparable products. Furthermore, the sales performance cited above was achieved without advertising, without in-store displays or signage, and with limited in-store placement. Both test market store customers are expanding distribution of the product, and Stephens & Co. has

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received numerous inquiries from other major retailers with respect to the CharCones product.

I declare under penalty of perjury that the foregoing is true and correct.

Date: 7/31/05

Michael W. Stephens